Hyundai makes cars for the whole world in Nošovice. What has resulted from one of the biggest Czech investments?

Hyundai’s investment of CZK 34.4 billion in its factory in Nošovice is the largest investment that CzechInvest has succeeded in attracting to the Czech Republic to date. Hyundai Motor Manufacturing Czech (HMMC) has created nearly twelve thousand jobs in the Moravia-Silesia region. The company’s cooperation with CzechInvest has endured for more than fifteen years. Most recently, HMMC supported the Hack the Crisis hackathon by contributing CZK 10 million to Czech projects fighting the coronavirus pandemic, including the winner, which increased COVID-19 testing capacity in the Czech Republic by one-fourth.

The Korean company Hyundai Motor Group is one of the world’s largest automobile manufacturers. It has been producing cars in the Czech Republic, specifically in the industrial zone in Nošovice, since 2008. The placement of the company’s plant in the Czech Republic was preceded by negotiations in South Korea, in which representatives of the Czech government, the Moravia-Silesia region, CzechInvest and the management of Hyundai Motor Group participated.

The factory in Nošovice is Hyundai’s only manufacturing plant in the European Union and ranks among the most advanced carmakers in Europe.
“When deciding which European country to choose for the company’s location, both the overall advantageousness of the investment incentive and the system of support for investors that the Czech Republic provides through CzechInvest played a role. I can mention, for example, the assistance with visa programmes for employees,” says Petr Michník, head of the Nošovice carmaker’s legal and PR department. The strong automotive tradition in the Moravia-Silesia region was an added bonus. For example, Tatra has been operating in the region since the 19th century.

The cornerstone of the Nošovice plant was laid by workers in March 2007 and the first series-produced car rolled off the assembly line nineteen months later. The factory in Nošovice is Hyundai’s only manufacturing facility in the European Union and ranks among Europe’s state-of-the-art carmakers. More than three million vehicles have been produced at the plant. In addition to cars, the Czech plant also specialises in the production of transmissions, which it manufactures not only for the Nošovice plant, but also for its Kia sister plant in Žilina, Slovakia as well as for Hyundai factories in Russia and Turkey. The Nošovice carmaker was the first in the Czech Republic to launch series production of a new-generation electric vehicle, namely the Kona Electric model.

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CzechInvest and Hyundai

CzechInvest initiated talks with Hyundai regarding the investment in 2003. The agency’s representatives signed the investment agreement in 2006 and the government pledged to provide an investment incentive in the value of CZK 4.9 billion. That incentive has indisputably paid off for the Czech Republic, as Hyundai has thus far contributed more than CZK 20 billion to the state budget in the form of income tax and social-security and health-insurance contributions.

The plant has ranked among the region’s most attractive employers since it went into operation. This is evidenced by, for example, the fact that the average monthly wage for a blue-collar position exceeds CZK 39,000 and a full 96% percent of employees are citizens of the Czech Republic.

Furthermore, the company has regularly been awarded the title of Employer of the Year since 2013. In total, Hyundai has created 12,000 jobs in Moravia-Silesia, thus helping the structurally disadvantaged region to reduce its unemployment rate. Thanks to the company’s employees and subcontractors, cars from Nošovice can be seen on the roads in more than seventy countries.

The carmaker is also involved in improving the quality of life in the Moravia-Silesia region. Within the Good Neighbour programme, it annually contributes funding for the cultural and social life of surrounding communities. In addition to that, it co-organises, for example, the National Championship of RC Fuel Cell Electric Vehicles for talented secondary-school students.

Hyundai annually contributes funding to surrounding communities within the Good Neighbour programme

Photo: Hyundai Motor Manufacturing Czech
HMMC also took part in the two-month Hack the Crisis virtual hackathon in spring 2020, which was organised by CzechInvest and the Ministry of Industry and Trade. The objective of the event was to support ideas and projects that help in the fight against the coronavirus pandemic. Two hundred projects were entered in the hackathon. The fifteen best projects advanced to the final in June. Hyundai donated CZK 10 million, which was divide among the eight winners. The grand-prize winner of the hackathon was Diana Biotechnologies, a company established by biochemist Martin Dienstbier, who worked as a scientist at Oxford, and Václav Navrátil, a scientist from the Institute of Organic Chemistry and Biochemistry of the Academy of Sciences. Thanks to this startup, the daily coronavirus testing capacity has already been increased by 25%. In addition to that, the company introduced saliva tests in 2021.

“CzechInvest has always managed to adequately assist us and to respond quickly to the changing situation and various measures so that the investment continues to make sense. We very much appreciate that.”

– Petr Michník concludes

Hyundai donated money to the winners of the Hack the Crisis hackathon. Hyundai representative Petr Michník (right) with winners Martin Dienstbier (middle) and Václav Navrátil (left) of DIANA Biotechnologies